



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
EVENT SUB-COMMITTEE**

WEDNESDAY, November 10, 2010

**Scottsdale Center for the Arts (SCA)
Large Conference Room
7380 East 2nd Street
Scottsdale, Arizona, 85251**

Approved Minutes

PRESENT: Kate Birchler, Chair
Mike Surguine
David Richard

ABSENT: Leon Young

STAFF: Harold Stewart (left at 1:00 p.m.)
Steve Geiogamah
Joe Padilla
Kathy Montalvo (arrived at 1:00 p.m.)

GUESTS: Brent DeRaad, SCVB
Rachel Sacco, SCVB
Susan Morrow Potje, Celebration of Fine Arts
Taryl Pearson, Arabian Horse Association
Janice Wight, Arabian Horse Show
Patrick van den Bossche, Barrett Jackson
Phil Neri, Barrett Jackson
Drew Alcazar, Russo & Steele

Call to order/Roll Call

A formal roll call was conducted with members present as listed above.

1. Legacy Event Program

Mr. Steve Geiogamah noted that the packet includes information regarding matching event advertizing funds, criteria identified by the event subcommittee, legacy event recognition opportunities that were presented to the Commission in September, and a letter from the producer of Sun Circuit stating that he is satisfied with the proposed Legacy format.

Chairwoman Birchler said that the focus of the discussion was to evaluate the criteria that has been set forth, discuss additional benefits, and to offer event producers an opportunity to provide input.

Mr. Harold Stewart explained that the question of event banners had to be reconsidered because they are in conflict with the City sign code. When the City changed the rules about political signs, they eliminated the right to put any signs in the right-of-way with the exception of directional signs. Changing the ordinance to allow the banners could open the door to less desirable signs and banners.

Vice-Chair Surguine commented that other cities with sign ordinances as restrictive as Scottsdale allow special event banners. It is a competitive disadvantage for Scottsdale not to allow event banners. Mr. Stewart said that if special event banners are permitted there will be no way to discriminate on who is allowed to use signage in the right-of-way. Joe Padilla added that when the amendment was being considered in 2006 studies were conducted of other cities and the majority of their ordinances had a blanket prohibition with specific exceptions. It was felt at the time that an ordinance with listed exceptions might not stand up to a constitutional challenge. However, if City Council wishes to change the sign ordinance, language could be developed that would implement changes while imposing reasonable time, place, and manner restrictions.

Chairwoman Birchler felt it was important to make a recommendation to amend the ordinance because banners are a benefit and important in meeting the objective of generating excitement and energy for special events. Ms. Rachael Sacco said that the CVB has done research and found anecdotally that banners do drive attendance for people who do not know an event is in town.

Mr. Padilla explained that banners such as those on Motor Mile predate the change to the sign ordinance and are allowed under an agreement with the City. City Council has not been interested in arguments that have been brought forward by special events et cetera interested placing signs in the right-of-way, but there may be renewed interest because of the weak economy. Procedurally, a recommendation can be made to amend the sign code, but it could not be an unconditional recognition opportunity.

In response to a question by Committee Member Richard, Mr. Padilla explained that the electronic signage around the city is strictly for safety and traffic management.

Chairwoman Birchler requested that staff develop special event sign language for possible proposal of an ordinance change to City Council.

Mr. Drew Alcazar of Russo and Steele asked whether event signage could be opened up to events other than Legacy events, such as MEAF events. Chairwoman Birchler said that the discussion needed to stay focused on Legacy Events, with the

understanding that the TDC will be discussing events as a whole during the work-study session.

Ms. Sacco discussed the ways in which the CVB is involved with events, stressing the importance of addressing each event based on their unique needs while evaluating how the event can benefit Scottsdale. She questioned what establishment of a Legacy event would do to allow the CVB to be a better marketing provider and to address each event individually. She suggested that there could be a different set of criteria set for each event that would help with tapping into their individual market. The CVB currently has designated funds and the City's 50 percent set aside for events by Prop 200. There could be different opportunities to use those dollars as leverage once it is decided how the benefits will be different than MEAF.

Mr. Stewart said that the City Council understanding is that \$400,000 in special event funds is earmarked for new events. If the Committee wants to recommend a portion be designated to Legacy events there would need to be a recommendation made as part of the general discussion about special events.

Vice-Chair Surguine suggested an ROI analysis to determine whether those earmarked dollars would be well spent by investing in existing events.

Committee Member Richard said that from a hotel standpoint the ROI would need to show a generation of bed nights to be used to determine an appropriate allocation of bed tax funds.

Mr. Stewart explained that City Council allocated the special events funds to be used to secure the National Arabian Horse Show, the International Folk Art Event, and Fiesta Bowl. Additional items have since been charged back to the bed tax funds, including the community events program; non-MEAF events are charged back to the bed tax. A breakdown of spending was just completed because of the upcoming City Council Equidome discussion; it will be provided to the TDC.

Mr. Brent DeRaad said he is interested in looking at events through a special event program that would look on a case by case basis to determine whether they would benefit from money, city services, in-kind services, an expedited special event process, street banners, or national promotion in addition to city and local promotion. He would like to see standardized economic impact research so that the City can have accurate information of the overall benefits of each event. The CVB would also like to see participation in the cooperative advertizing program and investment back into certain facilities. A standardized economic research study would help determine the exact benefit in investment, value of services, and how best to customize services for each event. He felt that the Legacy Event Program would be putting a Band-Aid on a larger issue; there needs to be a holistic program to evaluate the larger issues. Ms. Sacco agreed that not all events have the same economic impact.

Mr. Stewart suggested that the one benefit for the events would be the designation as a Scottsdale Legacy Event. Ms. Sacco said that from an events standpoint the benefits need to be more compelling.

Vice-Chair Surguine wondered if creating Legacy Events was a Band-Aid to cover the fact that the City has done a poor job with special events. There should be a

conversation about the community's efforts in tourism-driven special events. Scottsdale should be a brand when it comes to special events.

Ms. Janice Wight commented that the events were interested in gaining ground in what they have already lost as it relates to city matching advertizing funds.

Ms. Susan Morrow Potje commented that at the City Council meeting she was surprised that the Council asked why MEAF events were receiving more than last year, because MEAF events funds were cut last year. In her opinion any of the events would be honored to use the name Legacy regardless of whether matching funds were involved. She questioned what benefit a Legacy designation would have as a branding and marketing tool. She liked the idea of a standardized survey but said that many people are confused when filling them out because they do not understand that they are intended to credit their room nights to a certain event and they may be in town for a specific event but are also doing other things. Taking a look at whole events as a package could be of a better value to the city. City Council needs to understand the value of special events to the City.

Committee Member Richard recalled that events that were operating during Superbowl were shut out of room nights. He suggested that it would be beneficial to have one entity in the city that manages events so there can be a strategy.

Mr. DeRaad said it is important to create a culture of events. If a program was in place each event operator could be approached to determine what is needed to help their event grow including adequacy of facilities, facility improvements, and waivers. The CVB could work with events to determine if complementary events could be brought in during the same dates.

Ms. Wight said that the Arabian Horse show is interested in putting on another show in November if new event support is available. The event is growing on an international level. She felt that one benefit events give to the city is loyalty.

Ms. Taryl Pearson commented that events have helped define Scottsdale and helped the city thrive and flourish. Established events know how to target their target market; the CVB is needed to help with exposure to new and different markets locally, nationally, and internationally.

In response to the question of whether the city process was working well for events, Mr. Patrick van den Bossche said that every year his event is still in discussions with the city as much as 60 days before the event and specific strategic requests are not always addressed adequately. He gave examples of other cities he works with where details are agreed upon up to a year in advance. Barrett Jackson's biggest planning challenge is in Scottsdale. Mr. van den Bossche encouraged the city to reach out to Las Vegas and Florida for information on their process.

Ms. Potje commented that although the process has become smoother, she felt that the MEAF process was difficult. Vice-Chair Surguine said that one benefit of the Legacy program would be not making events jump through so many hoops for matching advertizing funds. The process is cumbersome because many events are not able to show room nights or meet the requirements of MEAF appropriately.

Mr. Alcazar noted Russo and Steele's appreciation to the City but agreed with the comments about the city process being frustrating. He was supportive of the idea of the city conducting a standardized economic impact study and taking a step back to look at events from a larger scope. Because Russo and Steele and Barrett Jackson run concurrently and can be seen as competitors, granting benefits to one and not the other could be problematic. He commented that it is the responsibility of the City of Scottsdale and the CVB to bring tourism to the community and the responsibility of the promoters to bring traffic to individual events. More important than development of a Legacy program is taking a broader approach to bring all events together.

In response to Mr. Phil Neri, Mr. DeRaad said that C.H. Johnson recently conducted an economic impact study related to WestWorld. He stressed that the important question is how to customize and maximize event exposure to ensure events have the tools they need to succeed in Scottsdale. Star has an economic impact entity that focuses on special events that could be hired and would provide information on the return to the city and impact comparisons. He would like to look at models such as Las Vegas' one-stop approach.

Ms. Pearson felt that an economic impact study would only be of value to the City and would not be a good use of individual event funds because events conduct their own economic impact studies and could provide that information to the city.

Mr. Alcazar argued that the only way to make improvements is by having a standardized measuring stick.

Vice-Chair Surguine said that a standardized matrix could be administered by the TDC that would give the program more credibility.

Committee Member Richard commented that the objective is to make the city process as easy for events as possible and to set up standards that make the program credible.

Chair Birchler agreed that the economic impact study would be a good start in demonstrating the benefits of individual events to City Council. The TDC will consider discussion points and frustrations as part of the study session discussion.

Committee Member Richard felt that researching programs in other cities and assigning a point person for making a strategic plan for dealing with events is critical in determining how Scottsdale can improve as a destination.

Vice-Chair Surguine said that a one-stop shop approach would be simple and would help events be successful. He feared that MEAF was a one-size-fits-all program and that events might be better served through methods other than giving them money.

Mr. Geiogamah agreed that the possibility of a third party impact study could be explored as part of the study session discussion.

Ms. Potje suggested that organizing a meeting of MEAF event producers could be a good start in discussing a campaign for diversification, partnering, and packaging events. Ms. Sacco noted that many communities do not have the same barriers as Scottsdale. A compelling case for removal of barriers needs to be developed.

Chair Birchler requested that information be provided for review about past economic impact studies, other event models such as Las Vegas Events, and proposed verbiage for the sign ordinance. It is important to go to City Council with a full package in anticipation of all questions or challenges that might come forward. Mr. Padilla noted that the ordinance wording affects a number of sections of the Code that would need to be considered.

Ms. Potje requested that she be notified if a standardized economic impact study can be arranged by January 15th.

Discussion ensued regarding the effects of the noise ordinance on special events, focusing on problems that were incurred by Scottsdale Fashion Week and educating event producers, neighbors, and the Police Department on the restrictions of the noise ordinance. Chair Birchler requested that Chief Rodbell be scheduled for a presentation about the noise ordinance at a future TDC meeting.

2. Identification of Future Agenda Items

3. Public Comment

4. Adjournment

With no further business to discuss, the meeting was adjourned at 1:45 p.m.

Respectfully submitted,
A/V Tronics, Inc. DBA AVTranz